

need to disarm the Iraqi dictator and to liberate the Iraqi people. Now the Philippines is helping Iraq take its place among free nations by sending military police and medical personnel. The President and I both recognize that a free and secure Iraq is good for the Philippines, is good for America, and is good for the world.

We share great goals in the world. We are committed to opening markets in Asia and around the world to bring more people into an expanding circle of development and prosperity. And we are committed to adding the moral and material resources of our countries to the global fight against poverty and hunger and disease.

Partnership between our nations is sustained by the friendship between our peoples. More than 2 million Americans trace their ancestry back to the Philippines, and they enrich our national life. Many Filipino Americans serve in our military, and I'm proud to recognize one of them today. Army Lieutenant General Edward Soriano is one of the highest ranking Filipino Americans in the history of America's military. He brings pride to both our countries, and we honor his service in the cause of freedom.

The Philippines was the first democracy in Asia and has a proud tradition of democratic values, love of family, and faith in God. President Arroyo, you are carrying this tradition forward, and I'm proud to call you friend. Today the First Lady and I are honored to welcome you and Attorney Arroyo to America and to the White House. *Mabuhay!*

NOTE: The President spoke at 9:11 a.m. on the South Lawn at the White House, where President Macapagal-Arroyo was accorded a formal welcome with full military honors. In his remarks, President Bush referred to Jose Miguel Arroyo, husband of President Macapagal-Arroyo; and former President Saddam Hussein of Iraq. The transcript released by the Office of the Press Secretary also included the remarks of President Macapagal-Arroyo. The Office of the Press Secretary also released a Spanish language transcript of these remarks.

The President's News Conference With President Macapagal-Arroyo of the Philippines

May 19, 2003

President Bush. Thank you all very much. Please be seated. Welcome. We'll have some opening statements. The President and I will answer some questions, two apiece per side. We'll alternate.

It is my honor to welcome President Arroyo back to the White House. We took office on the same day over 2 years ago, and we have worked closely ever since. President Arroyo is a friend of America and a friend of freedom. I appreciate her strength. I appreciate her courage. And I appreciate you being here today, Madam President.

The relationship between the Philippines and the United States is stronger today than at any time in our recent history. Our alliance helps ensure the security of both our countries. This is a vital alliance. And I was pleased to inform President Arroyo that the United States plans to designate the Philippines as a major non-NATO ally. This step will allow our countries to work together on military research and development and give the Philippines greater access to American defense equipment and supplies.

The President and I also discussed developments in Iraq. I appreciate her strong support for the disarmament and liberation of that country. I'm also grateful that the Philippine Government plans to commit military police and medical personnel to assist in the reconstruction of Iraq.

The Philippines and the United States are strong allies in the war on terror. The murder of citizens from both our countries last week in Saudi Arabia reminds us that this war is far from over. The Philippine Government is strongly committed to defeating terrorists operating in its own part of the world, such as the Abu Sayyaf group.

The United States is committed to helping when asked. President Arroyo and I reviewed last year's highly successful deployment of U.S. troops to the southern Philippines, and we agreed to a similar deployment in the

near term, in which U.S. forces would support Philippine-led antiterror operations.

The President and I also reviewed the developments with the Moro Islamic Liberation Front, MLIF. That group must abandon the path of violence. If it does so and addresses its grievances through peaceful negotiations, then the United States will provide diplomatic and financial support to a renewed peace process.

My country welcomes President Arroyo's commitment to improve the capacity of the Philippine Armed Forces, and we are prepared to help. We have agreed to launch a comprehensive review of Philippine security requirements and how the United States can best support Philippine military modernization and reform. In addition, we are prepared to help Philippine forces address their most pressing needs, such as mobility, equipment, and spare parts.

Our countries have a strong economic relationship, and America supports President Arroyo's program of economic reform. We agreed to launch an initiative to make it easier and less costly for Filipino workers in America to send remittances back to the Philippines. I also informed President Arroyo that the United States will be extending new benefits to World War II veterans from the Philippines who fought side by side with American forces to defend freedom.

Finally, I'm honored to accept President Arroyo's generous invitation to visit the Philippines this fall, when I intend to travel to Southeast Asia for the APEC leaders meeting. In the meantime, to keep our relationship moving forward, we'll be sending other senior officers to Manila, starting with our Energy Secretary, Spence Abraham.

The Philippines and America are old friends who are tackling a lot of new challenges. Our relationship is strong; our relationship is growing stronger.

Madam President.

President Macapagal-Arroyo. Thank you, Mr. President. Thank you once again for inviting me on this state visit. As I said earlier, this shows how warm is the relationship within our two countries. We've become closer because of the war on terror, but our closeness is certainly rooted in our deep and long shared history.

We became closer with the war on terror because the Philippines is one of the first countries to join this war on terror. And the reason why we did it is that we in the Philippines know what it is to suffer from the hands of terrorism. We know the pain of terrorism. And we are with you in your leadership against terrorism, wherever it may be found. There may be others who might feel tainted or hostile about U.S. leadership in the war against terrorism. We believe that the U.S. leadership and engagement with the U.S. makes the world a safer place for all of us to live in.

But this trip is not just about terrorism, it's about fighting poverty. Poverty and terrorism are twin evils that we must fight. For the Philippines, we consider the U.S. a strategic partner not only in security matters but also in the economy, in the fight against poverty. I appreciate the support President Bush has announced with regard to our security assistance and also with regard to our economic assistance and economic cooperation with each other.

And in other meetings that we will be having with American officials, with multilateral agencies that are based in Washington, DC, and with the U.S. private sector, there will be other developments related to this visit that I'm sure will enhance our relationship with each other even more.

There's been a lot of work in preparation for this state visit. I was supposed to come earlier. I was supposed to be here last March.

President Bush. Right.

President Macapagal-Arroyo. And we've been working on what we can have together in this state visit. But because we postponed it and we didn't know the date of the state visit, because we didn't know the timetable for the war, there were many things that America already helped us with in preparation for this state visit, even without a date. So we—I'd like to thank you, President Bush, for what we have been able to achieve before the state visit, what we are achieving in this state visit, and what we will be achieving afterwards, because of the deeper relationship that we have entered into, culminated in this wonderful visit of ours to your country.

President Bush. Madam President, thank you.

We'll start off with Tom [Tom Raum, Associated Press].

War on Terror

Q. For both Presidents, do the recent suicide—the recent terror bombings, including the ones in Morocco and Saudi Arabia, suggest that Al Qaida is regrouping and back in business? And if so, is there a chance that we overestimated the damage that we did to the organization?

President Bush. First of all, I have said this is going to be—always said this is going to be a long war, that—not only a long war, a new kind of war. We're trying to chase down people who hide and move around in the dark corners of the world, and they plot, and they plan, and then they pop up and kill. They don't care about innocent life. And we're making progress. I mean, we are, slowly but surely, dismantling the Al Qaida operational network.

But we've got a lot of work to do, which means we've got to continue to work together to share information, cut off money, share intelligence, and hunt these people down and get them before they get us. And that's why I appreciate President Arroyo's leadership. She's tough when it comes to terror. She fully understands that in the face of terror you've got to be strong, not weak. She knows, like I know, that the only way to deal with these people is to bring them to justice. You can't talk to them. You can't negotiate with them. You must find them, and that's precisely what our alliance is continuing to do.

And so I'm pleased with progress we've made, but I will continue to warn the American people, like I've been doing for a long time, that this is still a dangerous world we live in. Clearly, the attacks in Saudi Arabia mean that we've got to be on alert here at home, that we've got to be diligent, that we've got to understand there's an Al Qaida group still actively plotting to kill.

We're working on the clues out of Morocco to determine whether there's a direct connection between that Al Qaida operation and what happened in Morocco. Time will tell. But the world is dangerous, which means that we've got to continue to renew these

alliances and these friendships to make sure that we make the world more secure.

President Macapagal-Arroyo. Well, there's been great progress in the war on terror. But certainly, it is not yet over. The Al Qaida and its sister terrorist organizations are finding their way not only in Africa, not only in the Middle East but also in Southeast Asia. And as we have seen, therefore, terrorism knows no borders. And that's why, while each country must take greater responsibility for its own economic and political security, it is also important that we enhance our regional and international cooperation in this war against terrorism.

Filipino-U.S. Relations

Q. Just to get direct quotes from both Presidents, I'd like to know exactly how the war against terrorism has affected the U.S.-Philippine relations, and how you intend to nurture this relationship beyond what is military and for a more prolonged and sustained period.

President Macapagal-Arroyo. Well, as I said earlier, it's made the U.S. and the Philippines closer to each other. And for me, because in the beginning of my term, of my tenure, we were fighting a lonely fight against the terrorists in southwestern Philippines, I felt that when we formed the global coalition against terrorism, then we were no longer alone. The world came to know how bad terrorism is, something we have known for a long time. And the world came to help us, because in the international coalition, we started to help one another.

I welcome the support of the world, and I welcome the support of the U.S. in our war against terrorism.

President Bush. Yes, I remember right after September the 11th, President Arroyo called me, and there was no doubt in my mind where she stood. It was more than the condolence call. It was a let's-get-after-them call. And I knew that we had—I had a strong ally and friend when it came to chasing these people down, which is precisely what we have to do. And she knows that, and that's the strategy she's employed.

And so you asked a question about what this war on terror has meant for our relationship. First and foremost, it meant that I've

got a great deal of respect for your President and her courage and her willingness to fight for security of the Philippine people and to defend freedom. And she is a great example of leadership in a part of the world that is a dangerous part of the world.

As President Arroyo mentioned, not only are there, obviously, actions around the Middle East and not only do we have to make sure our own homeland is secure, but Southeast Asia is a dangerous part of the world too. And the Philippines have witnessed this danger firsthand, and we'll continue to work, at her request, along the guidelines that are necessary in your Constitution, to work for freedom and security.

Tom—I mean Holland, Steve [Steve Holland, Reuters]. Excuse me.

Middle East Peace Process

Q. Are you going to put the Middle East roadmap on hold in the wake of the latest bombings? Do you still have confidence in Prime Minister Abbas—

President Bush. Yes, I've got confidence we can move the peace process forward. But the bombings, the recent bombings—I mean, Prime Minister Sharon is fixing to come over here, and of course, there are terrorists who want to disrupt the visit by bombing and killing. It's clear there are people there that still cannot stand the thought of peace. And therefore, it reminds—it gives me a chance to remind people in the region, if you're interested in moving the peace process, join us in fighting terror.

And I still believe that we need to—not only believe, I will move the process forward. But it is clear that the process is not going to be smooth so long as terrorists kill. And it's a stark reminder that there are killers who can't stand the thought of peace. And it's sad, and it's pathetic. But—and therefore, we must all work together—and I say “we,” those of us who care for peace. People in the Palestinian Authority who care for peace must work with us to fight off terror. People in Israel who care for peace will work with us to fight terror. The countries in the region that long for a peace process must understand that what's more important than process is results, and that we've got to work together to cut off the funding and the support

and activity of the terrorist killers who can't stand peace. Europe must work with us to do everything we can to discourage the terrorist activities that derail a process toward peace.

No, the roadmap still stands. The vision of two states existing side by side in peace is a real vision and one that I will work toward. But we've got a lot of work to do to convince all of us who care about peace to step up and fight off terror, to cut off the money and to find these people and bring them to justice.

No, we're still on the road to peace. It's just going to be a bumpy road. And I'm not going to get off the road until we achieve the vision.

President Macapagal-Arroyo. Well, the road to peace is really very difficult, but it's very important that we cooperate. And in Southeast Asia, I would like to say that, in addition, that if we are going to fight terrorism successfully and achieve peace, what is important is that we work on it together and we have a comprehensive approach, because terrorism will spread like a contagion. It will spread like SARS if we don't address the poverty that represents the breeding grounds for terrorism.

In the Philippines, terrorism thrives and gets its recruits, not coincidentally, in the provinces that are the poorest, in the region that is the poorest in our country. That is why I appreciate the support of President Bush not only for the security assistance in the war against terrorism but also in the efforts to fight poverty and the socioeconomic ills that plague southern Philippines especially.

That is our roadmap to peace. Every region has its specific roadmap to peace. We have some roadmaps in common; we have some that are specific to us. But for our region, it is a comprehensive approach. And I appreciate President Bush for understanding the comprehensive approach and helping us through it.

President Bush. Final question. Do you care to call on somebody, Madam President?

Q. I was about to ask about the economic side of it—

President Macapagal-Arroyo. Yes.

Filipino-U.S. Relations

Q. —but both of you have already spelled it out in details. Anyway, Mr. President Bush mentioned, and please comment on this, Mrs. President, about the non-NATO—designate the Philippines as a non-NATO status—

President Bush. Right.

Q. —and about the MILF—your offer of assistance in the MILF problem, because we have poverty problem there now.

President Bush. Well, my offer of assistance, it depends upon the MLIF choosing peace as a peaceful reconciliation of issues. If they continue to want to use terror and force, we will be involved to the extent that the President invites us to be involved, within the Constitution of the Philippine Government.

And the other part of the question?

Q. Non-NATO status.

President Bush. Non-NATO status, yes. That puts the Philippines right up there with Australia, Egypt, Israel. These are major non-NATO allies, which means it will be easier for us to answer requests on military equipment, to provide parts and equipment to make sure that the defense capabilities of the Philippine military are modern and the choppers fly, choppers are maintained, choppers move, when the President orders up a strike, it happens quickly. All this does is facilitate the capacity to interact with each other on a better basis, on a priority basis.

Secondly, the other thing I talked about was a comprehensive review of—and that just means our military is going to be involved with your military, the Philippine military, in such a way as to determine needs and assess whether or not we've got the capacity to help meet those needs.

Q. And the poverty problem?

President Bush. And the poverty problem—listen, this Nation is committed to dealing with poverty. First, let me make it very clear, poor people aren't necessarily killers. Just because you happen to be not rich doesn't mean you're willing to kill. And so it's important to understand—people are susceptible to the recruitment by these extremists, but I refuse to put a—put killers into a demographic category based upon income. After all, a lot of the top Al Qaida people

were comfortable middle-class citizens. And so one of the things you've got to do is to make sure we distinguish between hate and poverty.

Secondly, trade is an important aspect of helping to create the conditions necessary for people to rise out of poverty. And we talked about our trade relationship. An aspect of poverty is food, and we talked about our Agricultural Departments working together for the Food for Peace program and the interchange along that. In other words, all up and down—energy we talked about—all up and down the different aspects of our society, we had meaningful discussions. Not only in the Cabinet Room but prior to this and after this day, our Secretaries, respective Secretaries, will continue to interface to create the conditions necessary for prosperity to reign.

The other thing that's important is the Philippine Government must also assume their responsibilities. And I was very impressed by the discussions on tax reform. The President put out a bold initiative. I was most pleased that the Speaker and the head of the Senate were here in Washington, DC, and they were very receptive, it seemed like to me, to some of the tax proposals that the President laid out, to make sure that the budget of the Philippine Government is more efficient in collecting the revenues due to the Government. And so, in other words, it's a comprehensive approach, and it's one we spent a lot of time discussing.

President Macapagal-Arroyo. With regard to poverty, I don't see poverty only as a means to fight terrorism. Fighting poverty is an end in itself. So I agree with President Bush. It's not poverty that causes terrorism. Terrorism breeds on poverty, and poverty breeds on terrorism. They reinforce each other, and that's why we must fight them together.

And I came to Washington not just about terrorism but fighting poverty for its own—for the sake of the fight. And I believe that many of the things that we have worked on together are things that fight poverty and, incidentally, fight terrorism. But even if there were no terrorism, they certainly fight poverty and are—do the better for our country.

For instance, the GSP privileges that we've been able to enjoy. Since my last visit with

President Bush, we've been able to have—we've been able to enjoy about a billion dollars a year, and again, reinforced now, in GSP privileges. And if we get to include things like carrageenan in the GSP list, as we are negotiating now, that's going to give a lot of work to all those people in the coastal areas of Mindanao, especially the areas which I said are the poorest provinces in our country.

And then another example of getting together in the fight against poverty is working also on investments. And one of the things that we talked about is—and one of the things that we'll be getting together on would be more insurance, OPIC insurance for U.S. investments in the Philippines. So that's going to create more jobs.

And President Bush talked about the remittances of our OFWs. I hope that in 3 to 6 months a study can be done and our OFWs can be—our overseas Filipinos can begin to send the remittances with these reduced costs. And based on the Mexican experience, the costs can go down by as much as \$300 million a year. And that's going to provide a lot of income to the Filipinos back home, and the commensurate jobs that they can provide.

So all of these things are important in themselves. And incidentally, they also help us to fight poverty—poverty and terrorism at the same time.

President Bush. Thank you all very much.

NOTE: The President's news conference began at 11:45 a.m. in the East Room at the White House. In his remarks, he referred to Prime Minister Ariel Sharon of Israel; Jose de Venecia, Jr., Speaker of the Philippines House of Representatives; and Franklin M. Drilon, President, Senate of the Philippines. A reporter referred to Prime Minister Mahmoud Abbas (Abu Mazen) of the Palestinian Authority.

Joint Statement Between the United States of America and the Republic of the Philippines

May 19, 2003

President George W. Bush today welcomed President Gloria Macapagal-Arroyo to the White House on the occasion of her State visit to Washington. The two leaders dis-

cussed the full range of global and bilateral issues and reaffirmed the depth and breadth of ties between the United States and the Republic of the Philippines. The Presidents agreed that relations are deeper and warmer today than at any time in recent history and noted that those ties are rooted in shared history, shared values, and a common interest in global peace and prosperity. President Bush and President Macapagal-Arroyo paid tribute to a revitalized and maturing bilateral alliance and pledged to strengthen the partnership further in the years ahead.

The two leaders noted with satisfaction that the U.S.-Philippine alliance continues to play a vital role in ensuring mutual security, as it has since the signing of the U.S.-Philippine Mutual Defense Treaty over 50 years ago. In recognition of this proud history and continued partnership, the President announced his intention to designate the Philippines as a Major Non NATO Ally (MNNA). This step will allow the two countries to work together on military research and development and give the Philippines greater access to American defense equipment and supplies. President Bush thanked President Macapagal-Arroyo for her strong and unequivocal support in the Iraq campaign and expressed appreciation for the Philippine government's plans to deploy peacekeeping and medical personnel to assist in Iraq's reconstruction. The two Presidents reaffirmed their shared commitment to a free Iraq at peace with its neighbors. The two leaders also agreed that North Korea's nuclear weapons program is unacceptable and stressed that North Korea's relations with the Asia-Pacific region hinge on the verifiable and irreversible elimination of nuclear weapons capability.

President Macapagal-Arroyo expressed the view that the world had changed on September 11, 2001 and that conflict in Iraq had been another milestone in the war on terror. She noted that across Asia, there is a growing capability and readiness to cooperate on maintaining peace and stability in this new environment, and emphasized that the United States' leadership and strategic presence in the region are essential for the continuation of this positive trend. President